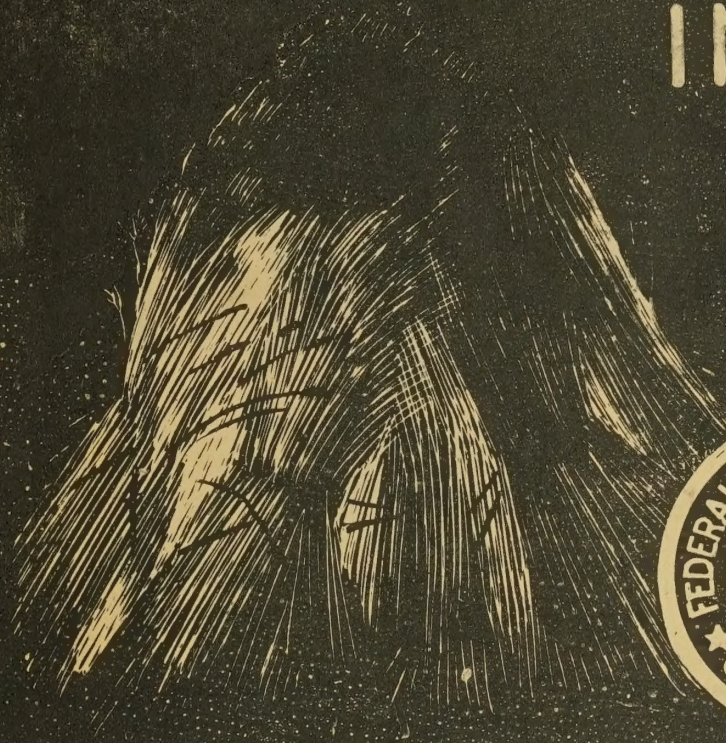

A
GRAPHIC PICTURE

OF THE
**WHEAT CROP
INSURANCE
PROGRAM**

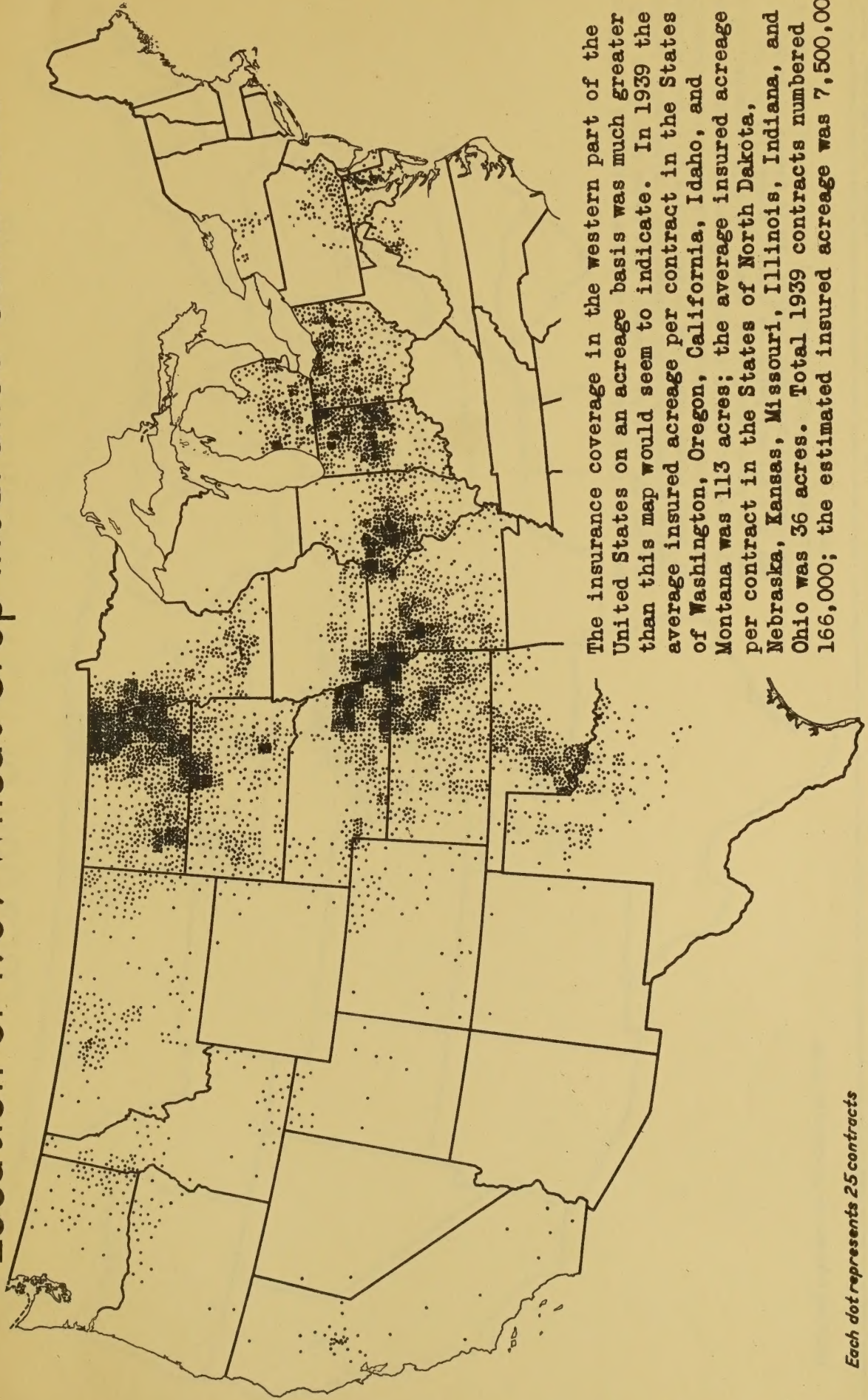


**U. S. DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION**

APRIL . . . 1940

1.952
G76

Location of 1939 Wheat Crop Insurance Contracts

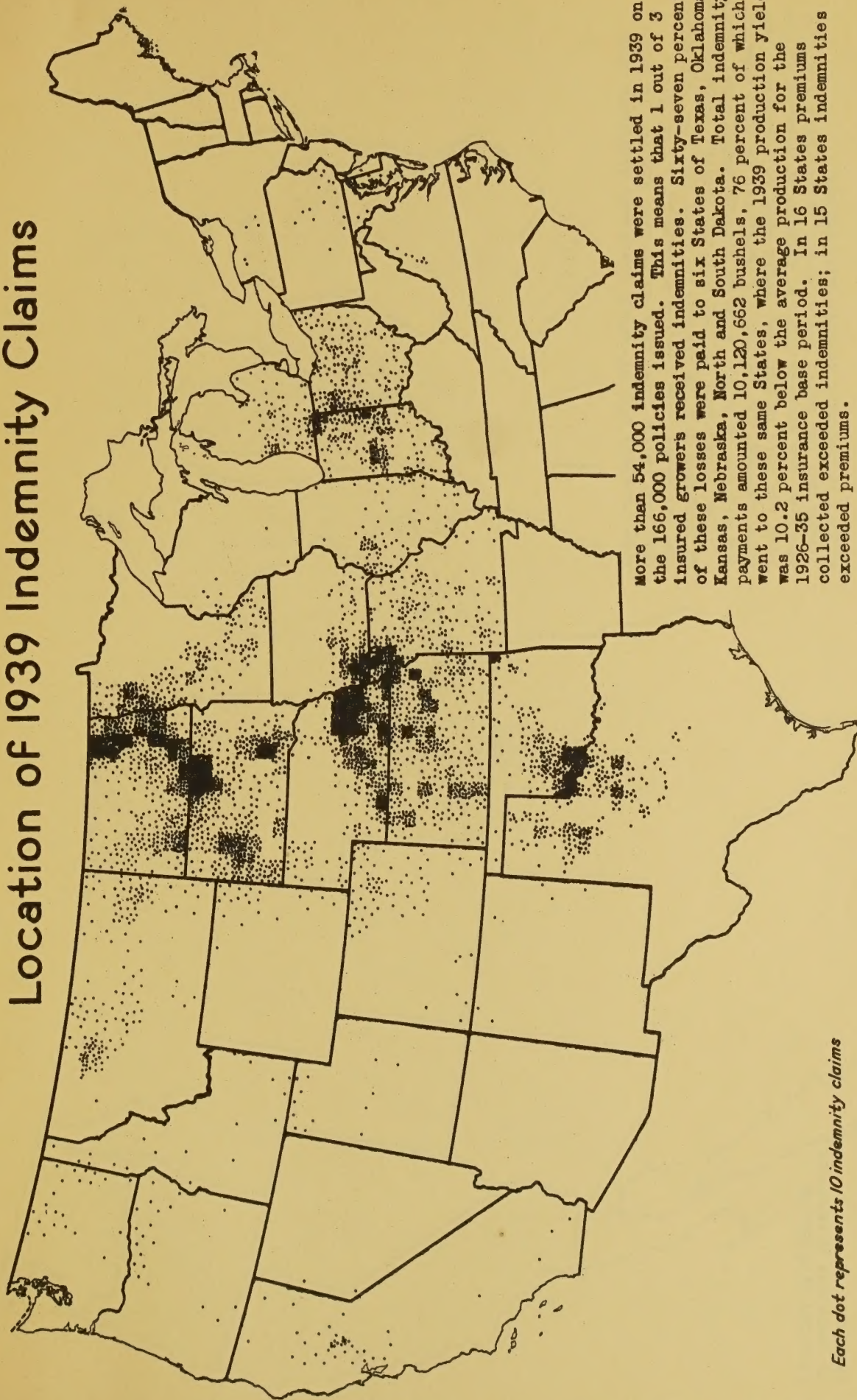


Each dot represents 25 contracts

The insurance coverage in the western part of the United States on an acreage basis was much greater than this map would seem to indicate. In 1939 the average insured acreage per contract in the States of Washington, Oregon, California, Idaho, and Montana was 113 acres; the average insured acreage per contract in the States of North Dakota, Nebraska, Kansas, Missouri, Illinois, Indiana, and Ohio was 36 acres. Total 1939 contracts numbered 166,000; the estimated insured acreage was 7,500,000.

1.952
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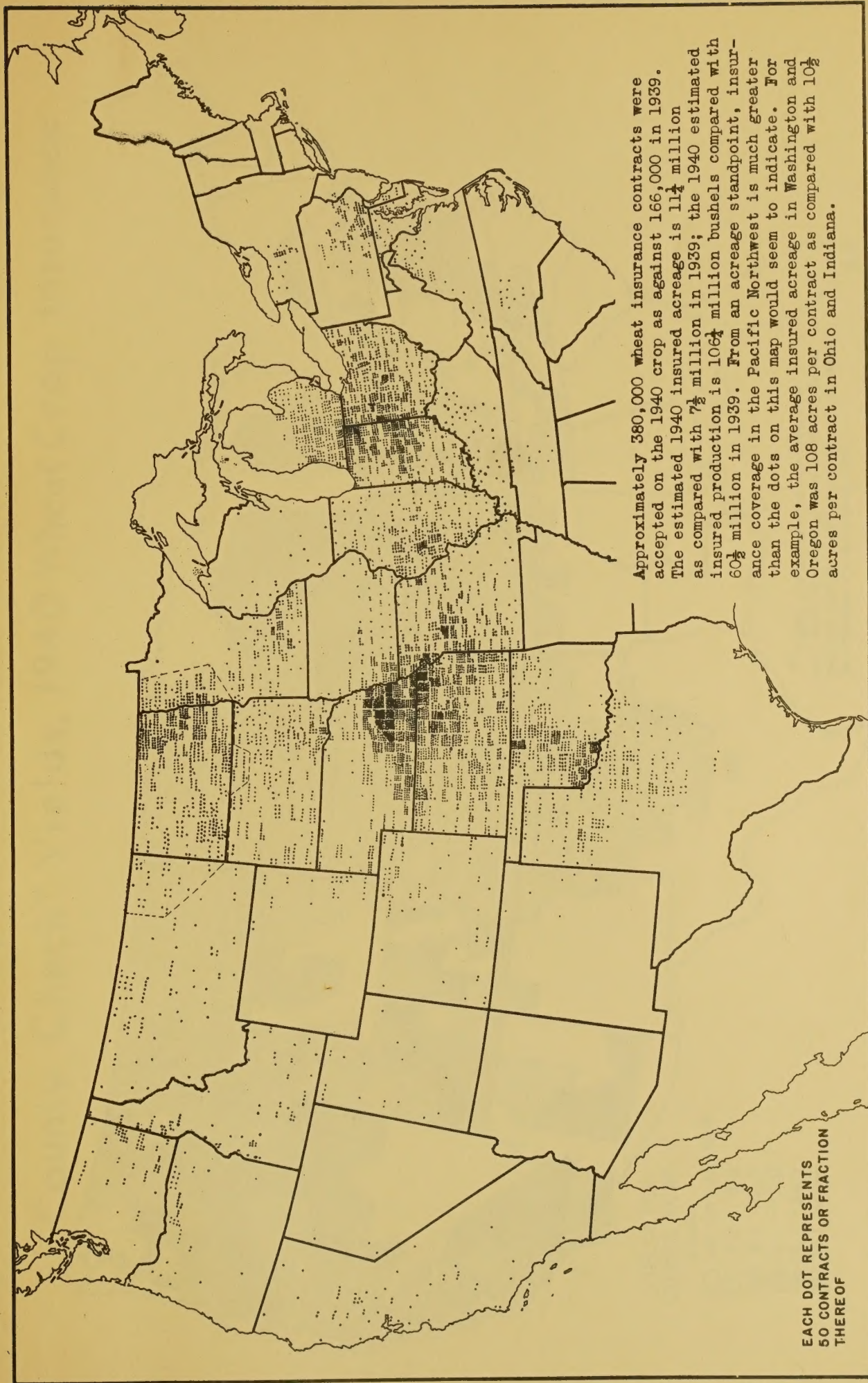
Location of 1939 Indemnity Claims



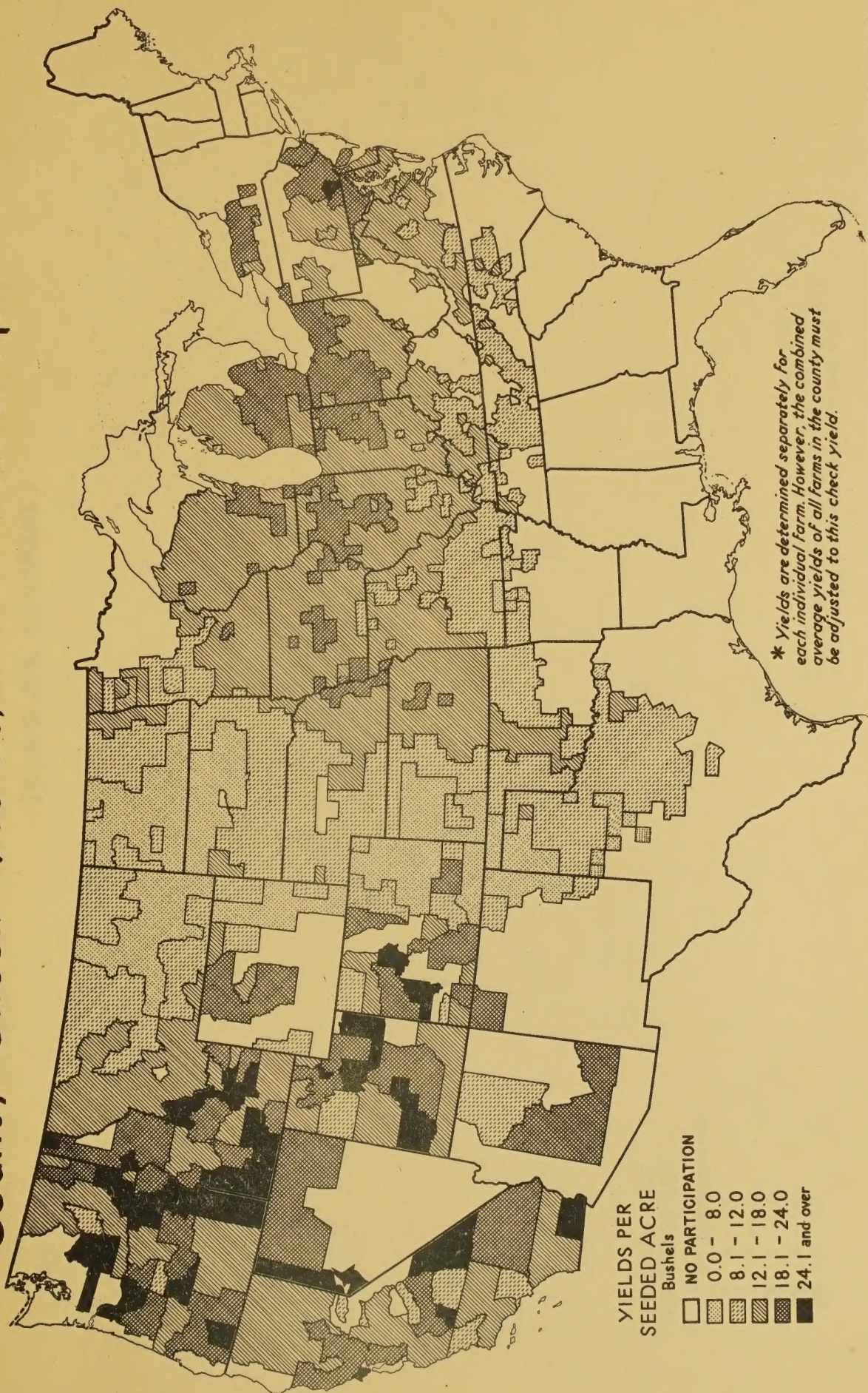
Each dot represents 10 indemnity claims

More than 54,000 indemnity claims were settled in 1939 on the 166,000 policies issued. This means that 1 out of 3 insured growers received indemnities. Sixty-seven percent of these losses were paid to six States of Texas, Oklahoma, Kansas, Nebraska, North and South Dakota. Total indemnity payments amounted 10,120,662 bushels, 76 percent of which went to these same States, where the 1939 production yield was 10.2 percent below the average production for the 1926-35 insurance base period. In 16 States premiums collected exceeded indemnities; in 15 States indemnities exceeded premiums.

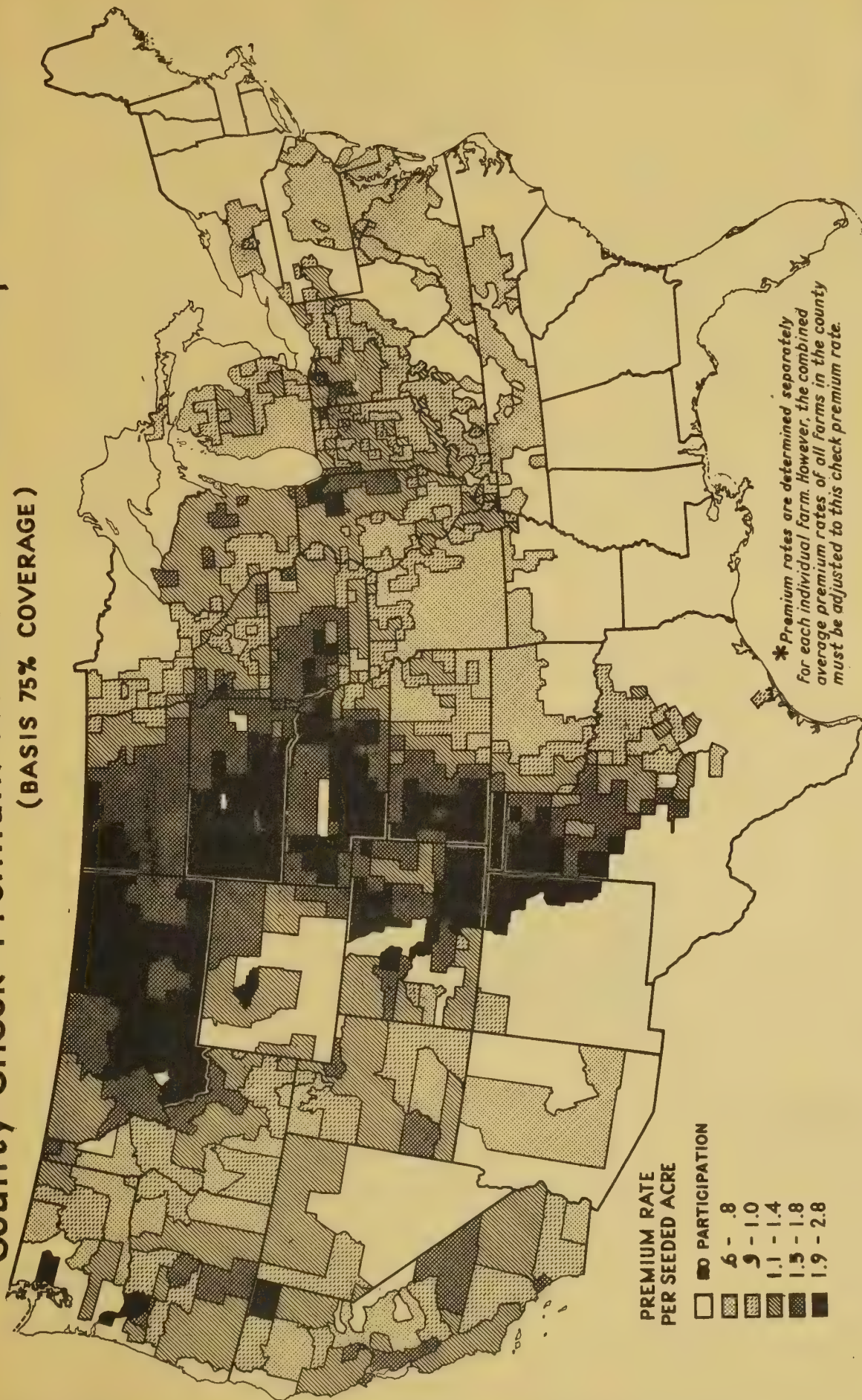
LOCATION OF 1940 WHEAT CROP INSURANCE CONTRACTS



County Check* Yields, 1940 Wheat Crop Insurance

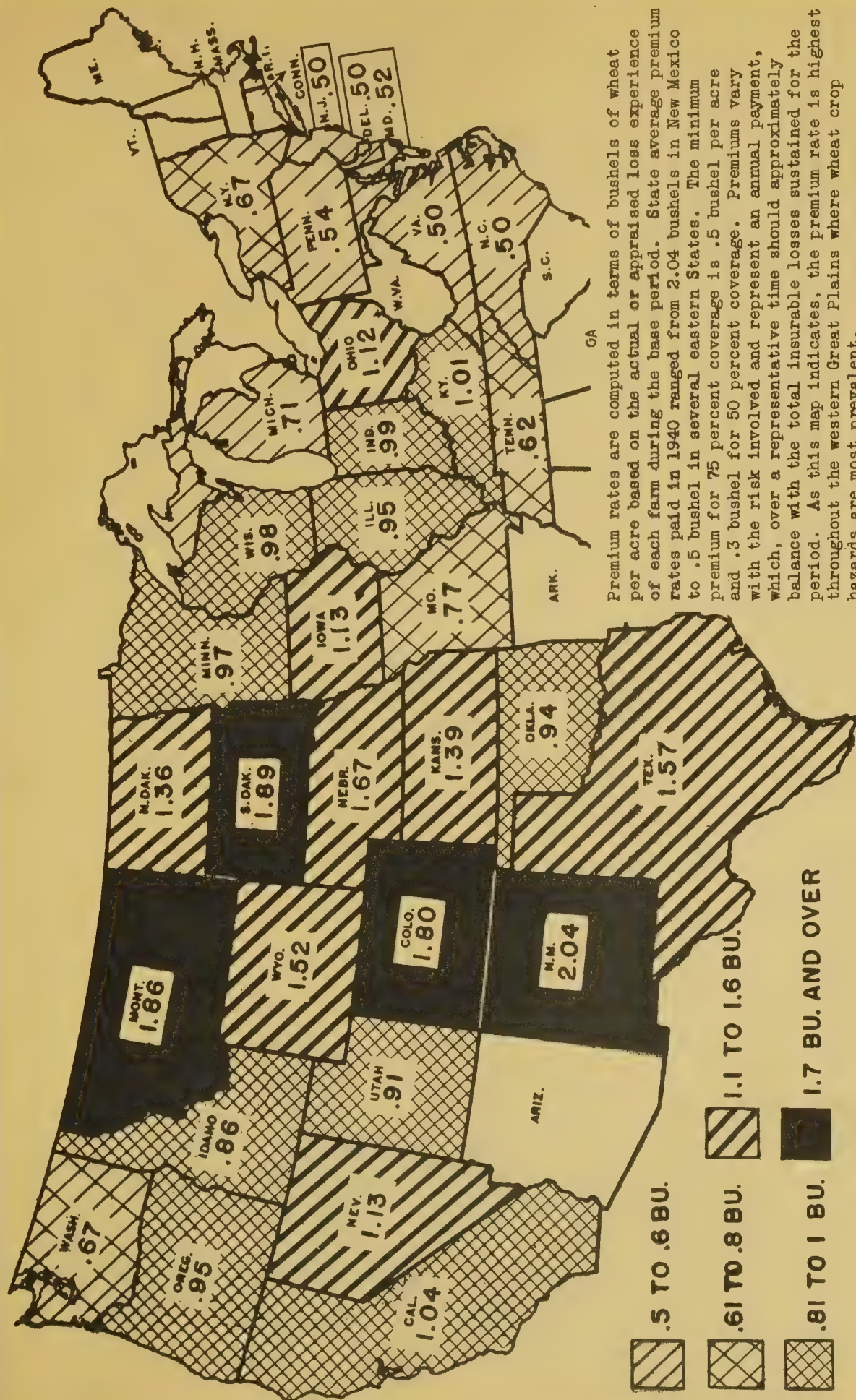


County Check* Premium Rates, 1940 Wheat Crop Insurance (BASIS 75% COVERAGE)



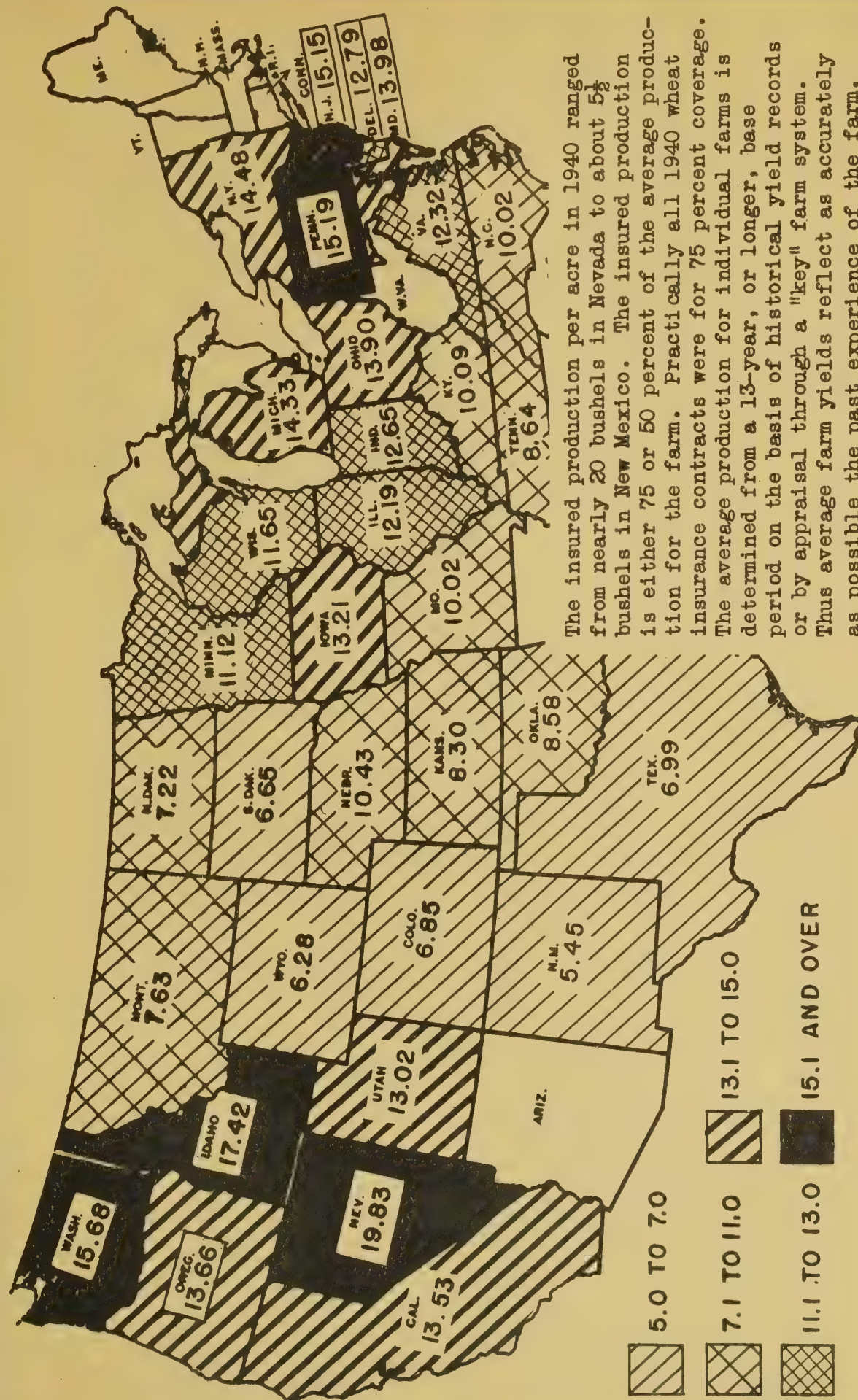
1940 WHEAT INSURANCE

BUSHEL OF PREMIUM PAID PER ACRE INSURED

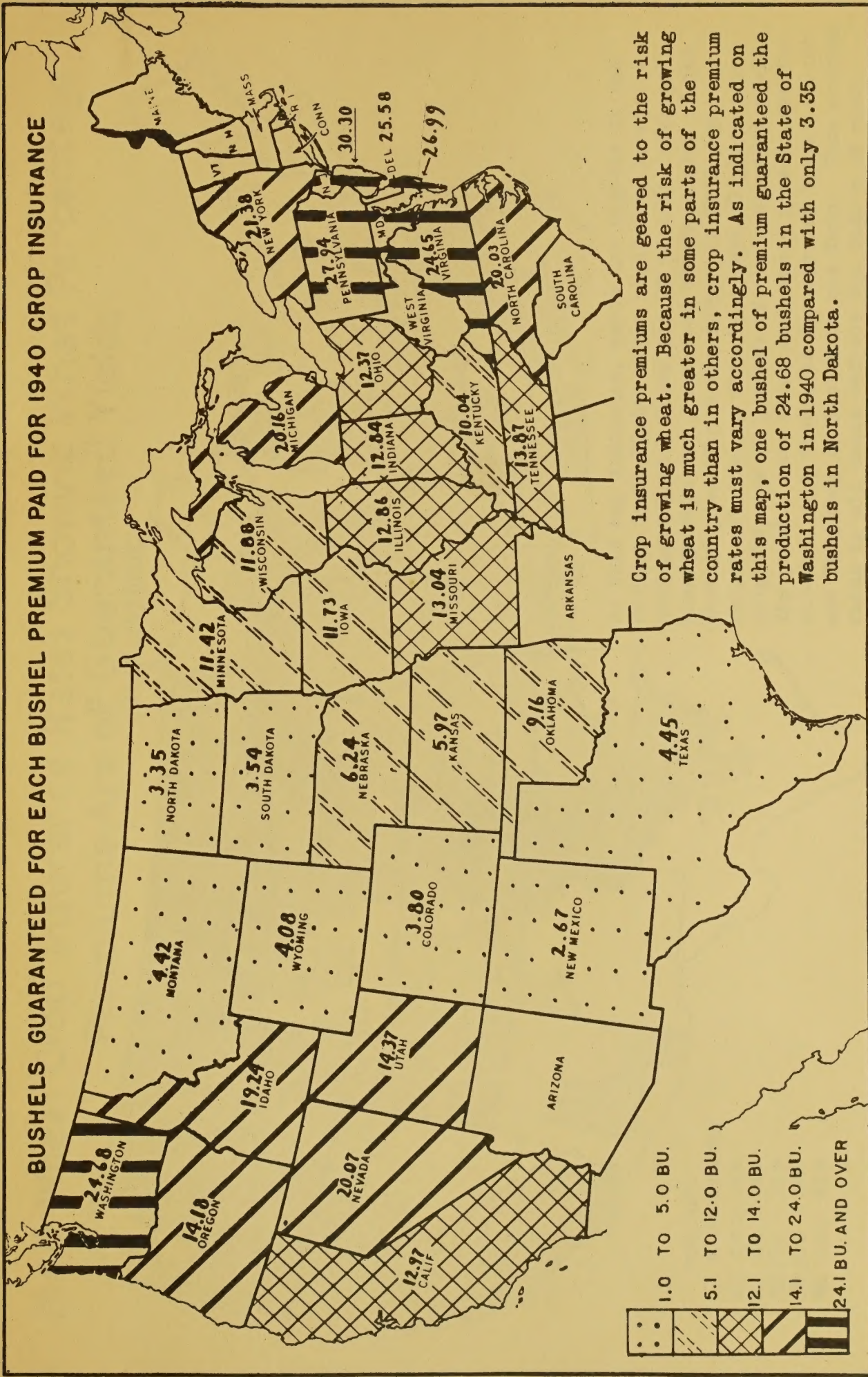


1940 WHEAT INSURANCE (BUSHEL)

AVERAGE INSURED PRODUCTION PER ACRE

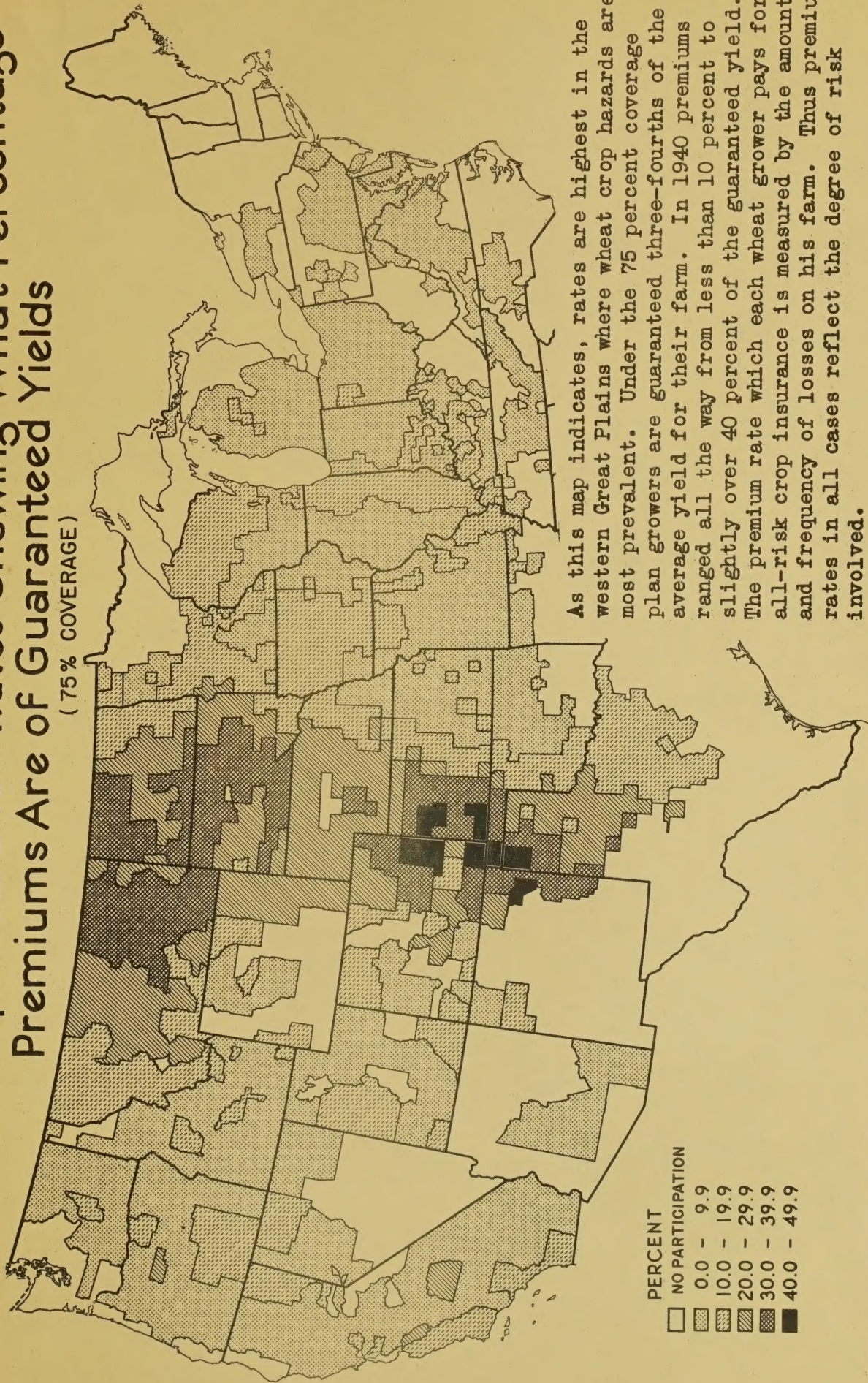


BUSHEL GUARANTEED FOR EACH BUSHEL PREMIUM PAID FOR 1940 CROP INSURANCE



Crop insurance premiums are geared to the risk of growing wheat. Because the risk of growing wheat is much greater in some parts of the country than in others, crop insurance premium rates must vary accordingly. As indicated on this map, one bushel of premium guaranteed the production of 24.68 bushels in the State of Washington in 1940 compared with only 3.35 bushels in North Dakota.

1940 Wheat Crop Insurance Rates Showing What Percentage Premiums Are of Guaranteed Yields (75% COVERAGE)



As this map indicates, rates are highest in the western Great Plains where wheat crop hazards are most prevalent. Under the 75 percent coverage plan growers are guaranteed three-fourths of the average yield for their farm. In 1940 premiums ranged all the way from less than 10 percent to slightly over 40 percent of the guaranteed yield. The premium rate which each wheat grower pays for all-risk crop insurance is measured by the amount and frequency of losses on his farm. Thus premium rates in all cases reflect the degree of risk involved.

